

FISCAL NOTE
SB 3673 - HB 3496

March 30, 2006

SUMMARY OF BILL: Requires each department of state government to keep a list of qualified mediators and submit the claim to mediation after obtaining consent of the parties in a claim against the state. Authorizes a claimant to file a claim with the Tennessee Claims Commission or the Board of Claims without electing mediation.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$1,100,000

Assumptions:

- There are approximately 14,000 pending claims against the state at any one time.
- If 20% of the claimants (2,800) seek to use mediation over a period of 220 state working days, a total of 13 mediations per day would be required to be completed.
- The approximate cost is \$400 per mediation. The average mediation would require four hours. The average mediator fee is \$100/hour.
- Mediation cost \$5,200/day (13 mediations X \$400 X 220 work days/year = \$1,144,000/year.
- The Claims Commission only adjudicates disputes related to tort claims, victim compensation claims, and state employee workers' compensation claims.
- The Office of the Attorney General represents the state in certain claims against the state.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director